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TAGS: PGOV PINR MC CH

SUBJECT: MACAU: HOW MUCH CHANGE FROM CHUI, HOW MUCH

INFLUENCE FOR HO?

REF: (A) HONG KONG 277 (B) HONG KONG 268 (C) 09 HONG

KONG 2262

Classified By: Acting Consul General Christopher Marut for reasons 1.4(b) and (d)

11. (C) Summary: Few of our contacts expect new Macau Chief Executive (CE) Fernando Chui Sai-on to take any significant policy initiatives, at least for now. They point to his coming March 16 policy address as offering the conclusive word one way or another. Our contacts suggested different roles former CE Edmund Ho Hau-wah might play, with estimates ranging from his replacing the ailing Ma Man-kei as senior patriarch to his waiting for Beijing's blessing to depart overseas. Either way, no one seemed to expect he would either follow former Hong Kong CE Tung Chee-hwa to a senior Beijing sinecure or play a visible role in Macau. End summary.

Meet the New Boss, Same as the Old Boss?

12. (C) Our contacts suggested we could expect little innovation from the new administration of Fernando Chui Sai-on. University of Macau (UM) scholar Eilo Yu Wing-yat told us that, should Chui's one hallmark initiative -- "sunshine government," meant to imply greater transparency in operations -- go through, in the end it would probably come down to government officials declaring their assets publicly. (Note: Chui has also discussed -- and taken the first steps to implement -- a government spokesman system, but it is unclear how much impact on transparency this move will have in Macau's tame media environment. End note.) Executive Council (ExCo) and National People's Congress deputy Lionel Leong Vai-tac agreed, but added a very clear "yet" to his judgment, warning it was much too early to gauge where the Chui administration might go. Our contacts pointed to Chui's coming March 16 policy address as the best indicator of his intentions in the near term.

- 13. (C) As reported ref A, Beijing acquiesced to Chui's "election" despite whatever concerns it may have had (or still has) regarding public corruption in Macau. That said, neither UM's Yu nor Macau Polytechnic Institute's Larry So Man-sum felt Chui was out of the woods. Yu took President Hu Jintao's remarks at Chui's inauguration regarding "good governance" as a signal to Chui on clean government. Only ExCo's Leong seemed to take as granted Chui would serve a second five-year term.
- 14. (C) The other problem Polytechnic's So sees on the horizon for Chui is a leveling off of Macau's dynamic economic growth. At such a point, which So argued could occur by Chui's third year in office, Chui would have all the existing social concerns (inadequate housing, unequal distribution of economic benefits -- see ref B) without the influx of cash

previously used to make cash payments to the public to ward off discontent.

Going Mobile?

- 15. (C) What role former Chief Executive (CE) Edmund Ho Hau-wah will now play is unclear. Precedent, such as it exists based on former Hong Kong CE Tung Chee-hwa, would be for Ho to take up some high-ranking but non-substantive sinecure in Beijing, like a vice chairmanship of the Chinese People's Political Consultative Conference (CPPCC). However, none of our contacts seemed to think Ho was headed north. Speaking to us a year ago, Ho himself said he had no particular goal in mind, but indicated that he was obligated to obey whatever instructions came from Beijing. Ho likened the process to religion -- "you have to have some faith that they will give me fair treatment."
- 16. (C) ExCo's Leong saw Ho taking on the role of key bridge between Macau and Beijing, replacing the ailing Ma Man-kei. (Note: As reported ref C, three "patriotic" business clans the Ma's, the Ho's, and the Chui's rose to prominence in postwar Macau as the key social arbiters and bridge between Beijing and the Portuguese. End note.) Although Ma does serve as a CPPCC vice chair, Leong did not specifically say Ho would take up that official role.
- 17. (C) UM's Yu thought Ho had hoped to go abroad for an extended period (although Yu was not certain to where) and was waiting for Beijing's approval, which Yu thought might take a few years to be granted. Polytechnic's So had not

heard about Ho wishing to go abroad, but also had no sense Ho would take on a substantive role in future. Overall, our contacts expected Ho would advise Chui, but discreetly and only on particularly important issues.

MARUT